

HUSKY ENERGY INC.

AUDIT COMMITTEE MANDATE

A. PURPOSE

The Audit Committee (the "Committee") is a committee of the Board of Directors (the "Board") of Husky Energy Inc. (the "Corporation"). The Committee's primary function is to assist the Board in carrying out its responsibilities with respect to:

1. the quarterly and annual financial statements and quarterly and annual MD&A, which are to be provided to shareholders and the appropriate regulatory agencies;
2. earnings press releases before the Corporation publicly discloses this information;
3. the system of internal controls that management has established;
4. the internal and external audit process;
5. the appointment of external auditors;
6. the appointment of qualified reserves evaluators or auditors;
7. the filing of statements and reports with respect to the Corporation's oil and gas reserves; and
8. the identification, management and mitigation of major financial risk exposures of the Corporation.

In addition, the Committee provides an avenue for communication between the Board and each of the Chief Financial Officer of the Corporation and other senior financial management, internal audit, the external auditors, external qualified reserves evaluators or auditors and internal qualified reserves evaluators. It is expected that the Committee will have a clear understanding with the external auditors and the external reserve evaluators or auditors that an open and transparent relationship must be maintained with the Committee.

While the Committee has the responsibilities and powers set forth in this Mandate, the role of the Committee is oversight. The members of the Committee are not full time employees of the Corporation and may or may not be accountants or auditors by profession or experts in the fields of accounting, or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Committee to plan or conduct financial audits or reserve audits or evaluations, or to determine that the Corporation's financial statements are complete, accurate and are in accordance with applicable accounting or reserve principles. This is the responsibility of management and the external auditors and, as to reserves, the external reserve evaluators or auditors. Management and the external auditors will also have the responsibility to conduct investigations and to assure compliance with laws and regulations and the Corporation's business conduct guidelines.

B. COMPOSITION

The Committee will consist of not less than three directors, all of whom will be independent and will satisfy the financial literacy requirements of securities regulatory requirements.

One of the members of the Committee will be an audit committee financial expert as defined in applicable securities regulatory requirements.

Members of the Committee will be appointed annually at a meeting of the Board, on the recommendation of the Corporate Governance Committee to the Co-Chairs of the Board and will be listed in the annual report to shareholders.

Committee members may be removed or replaced at any time by the Board, and will, in any event, cease to be a member of the Committee upon ceasing to be a member of the Board. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

The Committee Chair will be appointed by the Board, on the recommendation of the Corporate Governance Committee to the Co-Chairs of the Board.

C. MEETINGS

The Committee will meet at least four times annually on dates determined by the Chair or at the call of the Chair or any other Committee member, and as many additional times as the Committee deems necessary.

Committee members will strive to be present at all meetings either in person, by telephone or other communications facilities as permit all persons participating in the meeting to hear each other.

A majority of Committee members, present in person, by telephone, or by other permissible communication facilities will constitute a quorum.

The Committee will appoint a secretary, who need not be a member of the Committee, or a director of the Corporation. The secretary will keep minutes of the meetings of the Committee. Minutes will be sent to all Committee members, on a timely basis.

As necessary or desirable, but in any case at least quarterly, the Committee shall meet with members of management and representatives of the external auditors and internal audit in separate executive sessions to discuss any matters that the Committee or any of these groups believes should be discussed privately.

As necessary or desirable, but in any case at least annually, the Committee will meet the management and representatives of the external reserves evaluators or auditors and internal reserves evaluators in separate executive sessions to discuss matters that the Committee or any of these groups believes should be discussed privately.

D. AUTHORITY

Subject to any prior specific directive by the Board, the Committee is granted the authority to investigate any matter or activity involving financial accounting and financial reporting, the internal controls of the Corporation and the reporting of the Corporation's reserves and oil and gas activities.

The Committee has the authority to engage and set the compensation of independent counsel and other advisors, at the Corporation's expense, as it determines necessary to carry out its duties.

In recognition of the fact that the external auditors are ultimately accountable to the Committee, the Committee will have the authority and responsibility to recommend to the Board the external auditors that will be proposed for nomination at the annual general meeting. The external auditors will report directly to the Committee, and the Committee will evaluate and, where appropriate, replace the external auditors. The Committee will approve the fees and terms for all audit engagement and all non-audit engagements with the external auditors. The Committee will consult with management and the internal audit group regarding the engagement of the external auditors but will not delegate these responsibilities.

The external qualified reserves evaluators or auditors will report directly to the Committee, and the Committee will evaluate and, where appropriate, replace the external qualified reserves evaluators or auditors. The Committee will approve the fees and terms for all reserves evaluators or audit engagements. The Committee will consult with management and the internal qualified reserves evaluators group regarding the engagement of the external qualified reserves evaluators or auditors but will not delegate these responsibilities.

E. SPECIFIC DUTIES & RESPONSIBILITIES

The Committee will have the oversight responsibilities and specific duties as described below.

Audit

1. Review and reassess the adequacy of this Mandate annually and recommend any proposed changes to the Corporate Governance Committee and the Board for approval.
2. Review with the Corporation's management, internal audit and the external auditors and recommend to the Board for approval the Corporation's annual financial statements and annual MD&A which is to be provided to shareholders and the appropriate regulatory agencies and any financial statement contained in a prospectus, information circular, registration statement or other similar document.
3. Review with the Corporation's management, internal audit and the external auditors and approve the Corporation's quarterly financial statements and quarterly MD&A which is to be provided to shareholders and the appropriate regulatory agencies.
4. Review with the Corporation's management and approve earnings press releases before the Corporation publicly discloses this information.
5. Be responsible for the oversight of the work of the external auditors, including the resolution of disagreements between management of the Corporation and the external auditors regarding financial reporting.
6. Review with the Corporation's management, internal audit and the external auditors the Corporation's accounting and financial reporting controls and obtain annually, in writing from the external auditors their observations, if any, on material weaknesses in internal controls over financial reporting as noted during the course of their work.
7. Review with the Corporation's management, internal audit and the external auditors significant accounting and reporting principles, practices and procedures applied by the Corporation in preparing its financial statements, and discuss with the external auditors

their judgments about the quality (not just the acceptability) of the Corporation's accounting principles used in financial reporting.

8. Review the scope of internal audit's work plan for the year and receive a summary report of major findings by internal audit and how management is addressing the conditions reported.
9. Review the scope and general extent of the external auditors' annual audit, such review to include an explanation from the external auditors of the factors considered in determining the audit scope, including the major risk factors, and the external auditor's confirmation whether or not any limitations have been placed on the scope or nature of their audit procedures.
10. Inquire as to the independence of the external auditors and obtain from the external auditors, at least annually, a formal written statement delineating all relationships between the external auditors and the Corporation as contemplated by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees.
11. Arrange with the external auditors that (a) they will advise the Committee, through its Chair and management of the Corporation, of any matters identified through procedures followed for the review of interim quarterly financial statements of the Corporation, such notification is to be made prior to the related press release and (b), for written confirmation at the end of each of the first three quarters of the year, that they have nothing to report to the Committee, if that is the case, or the written enumeration of required reporting issues.
12. Review at the completion of the annual audit, with senior management, internal audit and the external auditors the following:
 - i. the annual financial statements and related footnotes and financial information to be included in the Corporation's annual report to shareholders;
 - ii. results of the audit of the financial statements and the related report thereon and, if applicable, a report on changes during the year in accounting principles and their application;
 - iii. significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit;
 - iv. inquire about the cooperation received by the external auditors during their audit, including access to all requested records, data and information; and
 - v. inquire of the external auditors whether there have been any material disagreements with management, which, if not satisfactorily resolved, would have caused them to issue a non-standard report on the Corporation's financial statements.
13. Discuss (a) with the external auditors, without management being present, (i) the quality of the Corporation's financial and accounting personnel, and (ii) the completeness and accuracy of the Corporation's financial statements, and (b) elicit the comments of senior

management regarding the responsiveness of the external auditors to the Corporation's needs.

14. Meet with management to discuss any relevant significant recommendations that the external auditors may have, particularly those characterized as 'material' or 'serious' (typically, such recommendations will be presented by the external auditors in the form of a Letter of Comments and Recommendations to the Committee) and review the responses of management to the Letter of Comments and Recommendations and receive follow-up reports on action taken concerning the aforementioned recommendations.
15. Review and approve disclosures required to be included in periodic reports filed with Canadian and U.S. securities regulators with respect to non-audit services performed by the external auditors.
16. Establish adequate procedures for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of those procedures.
17. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
18. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.
19. Review the appointment and replacement of the senior internal audit executive.
20. Review with management, internal audit and the external auditors the methods used to establish and monitor the Corporation's policies with respect to unethical or illegal activities by the Corporation's employees that may have a material impact on the financial statements or other reporting of the Corporation.
21. Reviewing generally, as part of the review of the annual financial statements, a report, from the Corporation's general counsel concerning legal, regulatory and compliance matters that may have a material impact on the financial statements or other reporting of the Corporation.
22. Review and discuss with management, on a regular basis, the identification, management and mitigation of major financial risk exposures across the Corporation. In addition, the Committee oversees the Corporation's risk management framework and related processes.

Reserves

23. Review, with reasonable frequency, the Corporation's procedures relating to the disclosure of information with respect to the Corporation's oil and gas reserves, including the Corporation's procedures for complying with the disclosure requirements and restrictions of applicable regulatory requirements.

24. Review with management the appointment of the external qualified reserves evaluators or auditors, and in the case of any proposed change in such appointment, determine the reasons for the change and whether there have been disputes between management and the appointed external qualified reserves evaluators or auditors.
25. Review, with reasonable frequency, the Corporation's procedures for providing information to the external qualified reserves evaluators or auditors who report on reserves and data for the purposes of compliance with applicable securities regulatory requirements.
26. Meet, before the approval and release of the Corporation's reserves data and the report of the qualified reserve evaluators or auditors thereon, with senior management, the external qualified reserves evaluators or auditors and the internal qualified reserves evaluators to determine whether any restrictions affect their ability to report on reserves data without reservation and to review the reserves data and the report of the qualified reserves evaluators or auditors.
27. Recommend to the Board for approval the content and filing of required statements and reports relating to the Corporation's disclosure of reserves data as prescribed by applicable regulatory requirements.

Miscellaneous

28. Review and approve (a) any change or waiver in the Corporation's Code of Business Conduct for the President and Chief Executive Officer and senior financial officers and (b) any public disclosure made regarding such change or waiver and, if satisfied, refer the matter to the Board for approval.
29. Act in an advisory capacity to the Board.
30. Carry out such other responsibilities as the Board may, from time to time, set forth.
31. Advise and report to the Co-Chairs of the Board and the Board, relative to the duties and responsibilities set out above, from time to time, and in such details as is reasonably appropriate.

Effective Date: May 6, 2014